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June 29, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests:

From the Attorney General:

AG-09-13 AG-19-6 AG-19-7 AG-23-6 AG-23-8

From the Department:

DTE-05-37 DTE-18-02

From the UWUA:

UWUA-01-33

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)

A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Cochis, Assistant Attorney General (4 copies)

Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 28, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

AG-9-13 Refer to Schedule JAF-2-7. Please provide bill impact analyses for R-4 and R-2 classes and for each of the special contract customers.

Response: Please refer to pages 1 and 2 of Attachment AG-9-13 for bill impact analyses for the R-4 and R-2 customer classes.

As discussed in Exhibit BSG/JAF-2, pages 19 and 20, only one of the Company's special contract customers was assigned an increase as a result of the rate case filing. This Customer was assigned an increase of \$418,748. Please refer to page 3 of Attachment AG-9-13 for the special contract Customer's bill impact analysis. This analysis assumes that the customer's gas supply charges are equal to the average test year gas rates for the G-52/53 customer classes.

BAY STATE GAS COMPANY
Typical Residential Heating Low-Income Bill (R-4)

Line		Typical Usage In Therms										Total	Total	Total		
No.	Residential Heating (R-4)	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	May - Apr (13)	Off-Peak (14)	Peak (15)
1		90	55	30	30	42	71	109	150	187	188	166	132	1,250	318	932
2	Current Base Rates															
3	Off-Peak															
4	Cust. Chg	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97							\$36	\$36	
5	First 30 therms @	\$0.1243	\$3.73	\$3.73	\$3.73	\$3.73	\$3.73							\$22	\$22	
6	Excess 30 therms @	\$0.0700	\$4.20	\$1.75	\$0.00	\$0.00	\$0.84							\$10	\$10	
7																
8	Peak															
9	Cust. Chg	\$5.97						\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$36		\$36
10	First 90 therms @	\$0.2247						\$20.22	\$20.22	\$20.22	\$20.22	\$20.22	\$20.22	\$121		\$121
11	Excess 90 therms @	\$0.0709						\$1.35	\$4.25	\$6.88	\$6.95	\$5.39	\$2.98	\$28		\$28
12																
13	Revised Base Rates															
14	Off-Peak															
15	Cust. Chg	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25							\$38	\$38	
16	First 30 therms @	\$0.0708	\$2.12	\$2.12	\$2.12	\$2.12	\$2.12							\$13	\$13	
17	Excess 30 therms @	\$0.0708	\$4.25	\$1.77	\$0.00	\$0.00	\$0.85							\$10	\$10	
18																
19	Peak															
20	Cust. Chg	\$6.25						\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$38		\$38
21	First 125 therms @	\$0.0708						\$7.72	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85	\$52		\$52
22	Excess 125 therms @	\$0.0708						\$0.00	\$1.77	\$4.39	\$4.46	\$2.90	\$0.50	\$14		\$14
23																
24	Test Year Total Base Rate Amount	\$13.90	\$11.45	\$9.70	\$9.70	\$10.54	\$12.57	\$27.54	\$30.45	\$33.07	\$33.14	\$31.58	\$29.17	\$253	\$68	\$185
25	Revised Total Base Rate Amount	\$12.62	\$10.14	\$8.37	\$8.37	\$9.22	\$11.28	\$13.97	\$16.87	\$19.49	\$19.56	\$18.00	\$15.60	\$164	\$60	\$103
26																
27	Test Year															
28	CGA Rates - (Seasonal)	\$0.9143	\$0.9143	\$0.9143	\$0.9143	\$0.9143	\$0.9143	\$0.9640	\$0.9640	\$0.9640	\$0.9640	\$0.9640	\$0.9640			
29	LDAF	\$0.0156	\$0.0156	\$0.0156	\$0.0156	\$0.0156	\$0.0156	\$0.0137	\$0.0137	\$0.0137	\$0.0137	\$0.0137	\$0.0137			
30																
31	Revised															
32	CGA Rates - (Seasonal)	\$0.9057	\$0.9057	\$0.9057	\$0.9057	\$0.9057	\$0.9057	\$0.9454	\$0.9454	\$0.9454	\$0.9454	\$0.9454	\$0.9454			
33	LDAF	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0270	\$0.0251	\$0.0251	\$0.0251	\$0.0251	\$0.0251	\$0.0251			
34																
35	Test Year	\$97.59	\$62.59	\$37.60	\$37.60	\$49.59	\$78.59	\$134.11	\$177.10	\$215.90	\$216.95	\$193.88	\$158.23	\$1,460	\$364	\$1,096
36	Revised	\$96.57	\$61.44	\$36.36	\$36.36	\$48.40	\$77.50	\$119.75	\$162.45	\$200.97	\$202.01	\$179.11	\$143.70	\$1,365	\$357	\$1,008
37	Difference	(\$1.03)	(\$1.15)	(\$1.24)	(\$1.24)	(\$1.20)	(\$1.09)	(\$14.36)	(\$14.66)	(\$14.93)	(\$14.93)	(\$14.77)	(\$14.53)	(\$95)	(\$7)	(\$88)
38																
39	% Chg	-1.05%	-1.84%	-3.30%	-3.30%	-2.41%	-1.39%	-10.71%	-8.28%	-6.91%	-6.88%	-7.62%	-9.18%	-6.52%	-1.91%	-8.04%
40																
41	Average monthly impact													\$ (7.93)	\$ (1.16)	\$ (14.70)

BAY STATE GAS COMPANY
Typical Residential Non-Heating Low-Income Bill (R-2)

Typical Usage In Therms

Line No.	Residential Non-Heating (R-2)	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1		17	17	15	14	7	15	15	18	19	20	19	19	195	85	110
2	Current Base Rates															
3	Off-Peak															
4	Cust. Chg	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97							\$36	\$36	
5	First 10 therms @	\$0.2517	\$2.52	\$2.52	\$2.52	\$2.52	\$1.76	\$2.52						\$14	\$14	
6	Excess 10 therms @	\$0.1811	\$1.27	\$1.27	\$0.91	\$0.72	\$0.00	\$0.91						\$5	\$5	
7																
8	Peak															
9	Cust. Chg	\$5.97						\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$36		\$36
10	First 12 therms @	\$0.2869						\$3.44	\$3.44	\$3.44	\$3.44	\$3.44	\$3.44	\$21		\$21
11	Excess 12 therms @	\$0.2396						\$0.72	\$1.44	\$1.68	\$1.92	\$1.68	\$1.68	\$9		\$9
12																
13	Revised Base Rates															
14	Off-Peak															
15	Cust. Chg	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25							\$38	\$38	
16	First 10 therms @	\$0.1158	\$1.16	\$1.16	\$1.16	\$1.16	\$0.81	\$1.16						\$7	\$7	
17	Excess 10 therms @	\$0.1158	\$0.81	\$0.81	\$0.58	\$0.46	\$0.00	\$0.58						\$3	\$3	
18																
19	Peak															
20	Cust. Chg	\$6.25						\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$38		\$38
21	First 12 therms @	\$0.1158						\$1.39	\$1.39	\$1.39	\$1.39	\$1.39	\$1.39	\$8		\$8
22	Excess 12 therms @	\$0.1158						\$0.35	\$0.70	\$0.81	\$0.93	\$0.81	\$0.81	\$4		\$4
23																
24	Test Year Total Base Rate Amount	\$9.76	\$9.76	\$9.39	\$9.21	\$7.73	\$9.39	\$10.13	\$10.85	\$11.09	\$11.33	\$11.09	\$11.09	\$121	\$55	\$66
25	Revised Total Base Rate Amount	\$8.22	\$8.22	\$7.99	\$7.87	\$7.06	\$7.99	\$7.99	\$8.34	\$8.45	\$8.57	\$8.45	\$8.45	\$98	\$47	\$50
26																
27	Test Year															
28	CGA Rates - (Seasonal)	\$0.8898	\$0.8898	\$0.8898	\$0.8898	\$0.8898	\$0.8898	\$0.8739	\$0.8739	\$0.8739	\$0.8739	\$0.8739	\$0.8739			
29	LDAF	\$0.0124	\$0.0124	\$0.0124	\$0.0124	\$0.0124	\$0.0124	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055	\$0.0055			
30																
31	Revised															
32	CGA Rates - (Seasonal)	\$0.8932	\$0.8932	\$0.8932	\$0.8932	\$0.8932	\$0.8932	\$0.9126	\$0.9126	\$0.9126	\$0.9126	\$0.9126	\$0.9126			
33	LDAF	\$0.0238	\$0.0238	\$0.0238	\$0.0238	\$0.0238	\$0.0238	\$0.0169	\$0.0169	\$0.0169	\$0.0169	\$0.0169	\$0.0169			
34																
35	Test Year	\$25.09	\$25.09	\$22.93	\$21.84	\$14.05	\$22.93	\$23.32	\$26.68	\$27.80	\$28.92	\$27.80	\$27.80	\$294	\$132	\$162
36	Revised	\$23.81	\$23.81	\$21.74	\$20.71	\$13.48	\$21.74	\$21.93	\$25.07	\$26.11	\$27.16	\$26.11	\$26.11	\$278	\$125	\$152
37	Difference	(\$1.28)	(\$1.28)	(\$1.18)	(\$1.13)	(\$0.57)	(\$1.18)	(\$1.39)	(\$1.61)	(\$1.69)	(\$1.76)	(\$1.69)	(\$1.69)	(\$16)	(\$7)	(\$10)
38																
39	% Chg	-5.12%	-5.12%	-5.16%	-5.19%	-4.04%	-5.16%	-5.97%	-6.05%	-6.07%	-6.09%	-6.07%	-6.07%	-5.60%	-5.03%	-6.06%
40																
41	Average monthly impact													\$ (1.37)	\$ (1.11)	\$ (1.64)

BAY STATE GAS COMPANY
Special Contract 1

2004 Usage In Therms																
Line No.	Special Contract 1	May (1)	Jun (2)	Jul (3)	Aug (4)	Sep (5)	Oct (6)	Nov (7)	Dec (8)	Jan (9)	Feb (10)	Mar (11)	Apr (12)	Total May - Apr (13)	Total Off-Peak (14)	Total Peak (15)
1		12,457,750	8,847,400	3,147,300	2,955,140	7,278,280	6,981,230	9,437,020	13,355,740	9,770,890	11,727,130	9,638,710	12,301,070	107,897,660	41,667,100	66,230,560
2	Current Base Rates															
3	Off-Peak															
4	Dem. Chg	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350							\$1,250,100	\$1,250,100	
5	Excess # therms @	\$0.0137	\$0	\$0	\$0	\$0	\$0							\$0	\$0	
6																
7																
8	Peak															
9	Dem. Chg	\$208,350						\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$1,250,100		\$1,250,100
10	Excess # therms @	\$0.0137						\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11																
12																
13	Revised Base Rates															
14	Off-Peak															
15	Dem. Chg	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246							\$1,459,474	\$1,459,474	
16	Excess # therms @	\$0.0137	\$0	\$0	\$0	\$0	\$0							\$0	\$0	
17																
18																
19	Peak															
20	Dem. Chg	\$243,246						\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$1,459,474		\$1,459,474
21	Excess # therms @	\$0.0137						\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
22																
23																
24	Test Year Total Base Rate Amount	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$208,350	\$2,500,200	\$1,250,100	\$1,250,100
25	Revised Total Base Rate Amount	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$243,246	\$2,918,948	\$1,459,474	\$1,459,474
26																
27	Test Year (assume G-52/53 rate)															
28	CGA Rates - (Seasonal)	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8675	\$0.8675	\$0.8675	\$0.8675	\$0.8675	\$0.8675			
29	LDAF	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000			
30																
31	Hold Constant at Test Year Level															
32	CGA Rates - (Seasonal)	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8981	\$0.8675	\$0.8675	\$0.8675	\$0.8675	\$0.8675	\$0.8675			
33	LDAF	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000			
34																
35	Test Year	\$11,396,655	\$8,154,200	\$3,034,940	\$2,862,361	\$6,744,973	\$6,478,193	\$8,394,965	\$11,794,454	\$8,684,597	\$10,381,635	\$8,569,931	\$10,879,528	\$97,376,433	\$38,671,323	\$58,705,111
36	Revised	\$11,431,551	\$8,189,096	\$3,069,836	\$2,897,257	\$6,779,869	\$6,513,088	\$8,429,861	\$11,829,350	\$8,719,493	\$10,416,531	\$8,604,827	\$10,914,424	\$97,795,181	\$38,880,697	\$58,914,485
37	Difference	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$34,895.67	\$418,748	\$209,374	\$209,374
38																
39	% Chg	0.31%	0.43%	1.15%	1.22%	0.52%	0.54%	0.42%	0.30%	0.40%	0.34%	0.41%	0.32%	0.43%	0.54%	0.36%
40																
41	Average monthly impact													\$ 34,895.67	\$ 34,895.67	\$ 34,895.67

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: June 29, 2005

Responsible: Stephen H. Bryant, President

AG-19-6 Referring to the Company's response to Information Request AG-1-26, please provide a redlined copy of the Affiliate Service Agreement with NiSource Corporate Services Company dated March 31, 2005, showing the changes made to the agreement that existed before.

Response: Please see Attachment AG-19-06 for a redlined version of the NiSource Corporate Services Agreement referenced in AG-1-26.

Service Agreement

BETWEEN

NISOURCE CORPORATE SERVICES COMPANY

AND

[_____]

Dated [~~January 1, 2001~~, 2004]

(To Take Effect ~~January 1, 2001~~ Pursuant to Article 3 Hereof)

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SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made January 1, 2001 and entered into this , 2004 by and between , its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company (hereinafter called the "Company") and ~~NORTHERN UTILITIES, Inc., a New Hampshire corporation (hereinafter called the Client).~~

WITNESSETH:

~~Both the Company and the Client are corporate affiliates in the NiSource Inc. System, which is comprised of NiSource Inc. and its corporate subsidiaries. The Company, which is one of said subsidiaries, maintains an organization of specialists who are experienced in the problems and operations of public utilities and related businesses together with appropriate facilities and equipment through which it is prepared to furnish services, as hereinafter provided, to the Client, and to other affiliated corporations in the NiSource Inc. System (the Client together with such other affiliates are hereinafter collectively referred to as Clients).~~

WHEREAS, the Securities and Exchange Commission ("SEC") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 ("Act") the organization and conduct of the business of the Company, in accordance herewith, as a wholly-owned subsidiary service company of NiSource Inc. ("NiSource), including the allocation of all Company costs by using the methods approved by the Securities and Exchange Commission ("SEC Method");

WHEREAS, Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require the Company to fairly and equitably allocate costs among all Clients to which it renders services; and

WHEREAS, The rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize substantial economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

The Company will render all services performed under all agreements at cost, including

~~reasonable compensation for necessary capital procured through the issuance of capital stock, which cost shall be fairly and equitably apportioned among the Clients. To the extent that any charges for services or goods are rendered to the clients on the basis of estimated cost, they shall be readjusted to actual costs at least annually except in cases of construction, in which event such charges shall be adjusted upon completion of the individual projects in compliance with the Securities and Exchange Commission's Rule 90 promulgated under the Public Utility Holding Company Act of 1935.~~

WTNESSETH THAT the Company and the Client NOW THEREFORE, in consideration of the premises hereby and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

~~1.1~~ 1. Agreement to Furnish Services. The Company agrees to shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth in Schedule A, which is attached hereto and constitutes a part hereof, such of the services described in Section 2 Article II of said Schedule A Appendix A hereto (the "Services"), at such times, for such periods and in such manner, as the Client may from time to time request; and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services"). The Company will maintain an organization sufficient to render with efficiency and reasonable promptness such of the services described in Article II of said Schedule A as the Client may reasonably request, but it shall not be obligated to perform any services hereunder without reasonable notice.

~~2. Termination.~~ This Agreement may be terminated, upon not less than thirty days written notice, by either the Company or the Client; provided, however, that this Agreement shall be terminated automatically (1) to the extent that performance under this Agreement may conflict with any rule, regulation or order of the Securities and Exchange Commission adopted before or after the making of this Agreement, or (ii) if this Agreement shall become valid or illegal under any state law or under any rule, regulation or order of any state commission or other state body having jurisdiction in the premises.

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with the SEC Method. Client shall have the right from

time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably allocated, all in accordance with the requirements of the Act and any orders promulgated thereunder. The Company shall review with the Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall render a monthly report to Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake an immediate review of the report and identify all questions or concerns regarding the charges reflected within ten (10) days of receipt of the report. If no concerns are identified within that time, Client shall remit to the Company all charges billed to it within 30 days of receipt of the monthly report.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing

business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted under the Act.

2.6 This Agreement is subject to all required regulatory approvals and the compensation paid hereunder is subject to further review, including but not limited to that defined by Massachusetts General Laws ch. 164, sec. 94B.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and the SEC, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 On an annual basis, the Company and Client shall meet to assess the quality of the Services being provided pursuant to this Service Agreement and to determine the continued need therefor and shall, subject to Section 1.1, above, amend the scope of services, delete services entirely from this Service Agreement, and/or decline services as they determine to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the General Rules and Regulations promulgated by the SEC pursuant to the Act, in particular, the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies in effect from and after the date hereof.

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: _____

Name:

Its:

[~~____ NORTHERN UTILITIES, INC. ____~~]

By: _____

Name:

Its:

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1.

DEFINITIONS

1 ~~A.~~ The term “Company” shall mean NiSource Corporate Services Company and its successors.

~~B.~~ The term “Parent” shall mean Nisource Inc. and its successors.

~~C.~~ The term “Associate” shall mean any subsidiary corporation of the Parent which is a party to a service Agreement with the Company.

2 ~~D.~~ The term “Service Agreement” shall mean an agreement, of which this Schedule Appendix A constitutes a part, for the rendition of services by the Company.

3 ~~E.~~ The term “Client” shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2~~H~~.

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The services and facilities which the Company is prepared to render and furnish, as requested from time to time by the Clients, are set forth in general terms below. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 A. *Accounting and Statistical Services.* The Company will advise and assist the Clients in accounting and statistical matters, including the preparation and furnishing of financial, statistical and other related reports and analyses; and in addition, will advise and assist the Clients in matters related to cash requirements. The Company provides services related to developing, analyzing and interpreting financial statements, directors’ reports, regulatory reports, operating statistics and other financial reports. The Company also ensures compliance with generally accepted accounting principles and provides guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board.

The Company advises and assists the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 ~~B.~~ *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client ~~Associates~~, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.

3 ~~C.~~ *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of budgets and budgetary controls.

4 ~~D.~~ *Business Promotion Services.* The Company will advise and assist the Clients ~~Associates~~ in the preparation and use of advertising, in the development of residential, commercial and industrial business, and in the rendering of aid to local appliance distributors and dealers in the advertising and promotion of appliance sales.

5 ~~E.~~ *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

~~F. — Data Processing, Tabulating and Calculating Services. The Company will process data for the Clients by means of electronic, punch card, magnetic tape or other tabulating or calculating equipment maintained on a centralized basis. These services will include the computing, preparing and processing of service bills, and other bookkeeping, accounting, analytical, calculating and related functions.~~

6 ~~G.~~ *Depreciation Services.* The Company will advise and assist the Clients ~~Associates~~ in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients ~~Associates~~; and (3) dissemination to the Clients ~~Associates~~ of information concerning current developments in depreciation practices.

7 ~~H.~~ *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

8 ~~I.~~ *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 ~~J.~~ *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits.

10 ~~K.~~ *Engineering and Research Services.* The Company will advise and assist the Clients ~~Associates~~ in connection with the engineering phases of all construction and operating

matters, including estimates of costs of construction, preparation of plans and designs, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients-Associates.

11 ~~L. Gas Dispatching Services.~~ The Company will advise and assist the Clients Associates in the dispatching of the gas supplies available to the Clients-Associates, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients-Associates, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

~~M. Geology and Production Services.~~ The Company will advise and assist the Associates in matters of geology and production, including the estimation of available reserves of the Associates and their suppliers, the selection of acreage to be leased or surrendered, the selection of storage areas, the location of wells, and methods of drilling and of oil and gas recovery.

12 Information Technology Services. The Company provides Clients daily operational control, monitoring, data access security, disaster recovery planning, technical research, and support services to all users of the corporate network computing environment within the Company. The Company also assists the Client with application development, maintenance, and ongoing production support for a portfolio of systems that are used by the Clients. In addition, the Company will provide the Clients with an ongoing evaluation and monitoring of the network computing environment to ensure efficient use of hardware and that timely upgrades are made to meet the demands of the Clients. The Company also maintains information concerning the disposition and location of Information Technology assets.

13 ~~N. Information Services.~~ The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 ~~O. Insurance Services.~~ The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 Legal Services. The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

~~P. Methods Services.~~ The Company will advise and assist the Clients in the

~~formulation of accounting practices and methods of procedure, in the standardization of forms and with respect to the purchase, rental and use of mechanical and electronic computing equipment. The Company will also conduct such special studies as may be requested by the Clients.~~

16 Q. *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 R. *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4 ~~III, IV and V~~, and the Client shall not be required to pay any compensation directly to any such person.

18 S. *Operation and Planning Services.* The Company will advise and assist the Clients ~~Associates~~ in connection with estimates of gas requirements and gas available, gas transmission, measurement, storage and distribution, construction requirements, negotiation of gas purchase and sale contracts, energy marketing and trading and other operating matters.

19 T. *Purchasing and Storage Services.* The Company will render advice and assistance to the Clients in connection with the standardization, purchase and storage of equipment, materials and supplies, and, upon request of the Client, the negotiation of purchases and the placing of purchase orders for account of the Client.

20 U. *Rate Services.* The Company will advise and assist the Clients ~~Associates~~ in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

~~V. — Stationery Services. The Company will maintain centralized equipment, facilities and personnel to purchase or produce, store and distribute to the Clients, as required by them, forms, stationery, charts, maps, pamphlets or other printed material.~~

21 W. *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 X. *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 Treasury Services. The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 Land/Surveying Services. The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing,

maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 ~~Y.~~ *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3 III

ALLOCATION METHODS *Compensation*

~~The amounts which the Client shall pay to the company shall be determined as provided in this Article III.~~

~~A. Stationery and Data Processing Services~~

~~The Stationery Department and the Data Processing Department shall operate as separate units and the client shall be charged directly by each such department for its services, at cost, which shall include all applicable overhead. In the alternative, such departments may recover the costs of any service (including all applicable overhead) from the Client on the basis of fixed unit prices, adjusted from time to time, as required, to provide a reasonable balance between revenues and expenses. This same system shall apply to any other department having similar characteristics if the Company shall deem it appropriate.~~

~~B. All Other Services and Miscellaneous Services Not Specifically Provided For.~~

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company engaged in rendering such other services hereunder ~~not specifically provided for~~ is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4 ~~IV~~, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients* ~~Associates.~~ To the extent that the time spent by such officers and employees is related to services rendered to the Clients ~~Associates~~ generally, or to any specified group of the Clients ~~Associates~~, a direct salary charge, computed as provided in Article 4 ~~IV~~, shall be made to the Clients ~~Associates~~ generally, or to such specified group of the Clients ~~Associates~~, and allocated to each such Client ~~associate~~ upon such equitable basis or bases as the Board of Directors of the Company may from time to time specify, subject to concurrence of using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 Direct Salary Charges for Services to the Company. To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 ~~IV~~ shall be ~~made to Overhead.~~ allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 Apportionment of Employee Benefits. The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 ~~paragraph B~~ shall be apportioned among the ~~several Clients and Overhead,~~ as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client ~~and Overhead~~ bear to the aggregate of such direct salary charges.

5 Other Expenses. All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients ~~Associates~~ generally or to any specified group of Clients ~~Associates~~ shall be apportioned in the manner set forth in Section 2 ~~sub-paragraph (2) of paragraph B~~ of this Article 3 ~~III~~ for the apportionment of salary charges. ~~All other such expenses shall be charged to Overhead, which shall include: the rents; depreciation; amortization; interest; taxes; non-productive time of officers and employees; compensation of employees performing office service functions; costs of general office supplies; charges for the utility, maintenance and similar services; legal fees and fees of independent accountants; and all other such expenses normally treated as Overhead.~~ All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

~~(6) — Apportionment of Overhead~~

~~The Overhead shall be allocated, among the Clients in the same proportion which the direct salary charges to such Clients made pursuant to sub-paragraphs (1) and (2) of this paragraph B, for services of officers and employees, bear to the aggregate of such direct salary charges.~~

ARTICLE 4~~IV~~

COMPUTATION OF SALARY CHARGES ~~and Application of Overhead~~

~~A.~~ Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

~~B. — Suspense Account and Overhead Percentage Factor~~

~~The apportionment of overhead among Clients pursuant to subparagraph (6) of paragraph B of Article II shall be effected by debits and credits to an Overhead Suspense Account to be maintained on the books of the Company as follows:~~

~~(a) — Such account shall be debited with the amounts of all Overhead.~~

~~(b) — Such account shall be credited, and each Client to which a direct salary charge is made pursuant to sub-paragraphs (1) and (2) of paragraph B of Article II for services of officers and employees shall be charged, with an amount representing a uniform percentage of each such direct salary charge. Such percentage shall be initially estimated, and from time to time adjusted, if required, in such manner that on an annual basis the credits made pursuant to this clause will substantially equal the debits made pursuant to foregoing clause (a).~~

~~ARTICLE V. Billing~~

~~A. — Monthly Bills and Detail Statement of Charges~~

~~As soon as practicable after the close of each month, the Company will issue to the Client an Invoice and Detail of Charges which will itemize the amounts due from the Client for services, overhead and expenses for such month, computed pursuant to Articles III and IV. All amounts so billed shall be paid by the Client within fifteen days after the receipt of the bill therefor.~~

~~To the extent required by law, all bills rendered by the Company to the Client shall be accompanied by a statement showing the manner in which such charge was determined and the cost to the Company of the service rendered.~~

~~B. — Information to be Furnished by Associate~~

~~The Associate will forward to the Company from time to time, as requested, such financial and statistical information as the Company may need to compute the charges payable by such Associate upon such basis as may have been specified pursuant to Article IIB(2) of this Schedule A.~~

~~ARTICLE VI. Inspection of Records~~

~~The Company agrees to keep its books and records available for inspection at all reasonable times by representatives of the Client in order that the correctness of the charges made by the Company for services to the Client may be verified by the Client.~~

~~CHI_DOCS2-CS2WE1SC7.1-03.04.01-11.13~~

Exhibit A

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefitted affiliate on the basis of fixed percentages on an individual project basis.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefitted affiliates.

BASIS 20

DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: June 29, 2005

Responsible: Stephen H. Bryant, President

AG-19-7 Referring to the Company's response to Information Request AG-1-26, please provide a redlined copy of the Bay State Gas Company Amended Services Agreement with Northern Utilities dated January 1, 2005, showing the changes made to the agreement that existed before that one.

Response: Please see Attachment AG-19-07 for a redlined version of the Bay State Gas Company and Northern Utilities Services Agreement referenced in AG-1-26.

~~Operational~~ BSG-Northern Amended Services Agreement

BETWEEN

BAY STATE GAS COMPANY

AND

NORTHERN UTILITIES, INC.

Effective Date

January 1, 2005

~~January 1, 2003~~

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~~OPERATIONAL~~ BSG-NORTHERN AMENDED SERVICES AGREEMENT

This Agreement is made as of January 1, 2005⁵³ by and between Bay State Gas Company (hereinafter called "Bay State") and its wholly owned subsidiary, Northern Utilities, Inc. (hereinafter called "Northern"). Bay State and Northern, collectively referred to herein as the "Companies".

The Companies are corporate affiliates in the NiSource Inc. System, which is comprised of NiSource Inc. and its corporate subsidiaries. Bay State and Northern each maintains an organization of personnel experienced in the management and operations of public utilities together with appropriate facilities and equipment through which each is prepared to furnish ~~operational~~ services to the other, as hereinafter provided.

The rendition of such services on a coordinated basis enables the recipients of such services to realize benefits through (1) efficient use of common ~~operating~~ management, personnel and equipment; (2) coordination of analysis and planning; and (3) availability of ~~operating~~ personnel and equipment which they may economically share.

All ~~operating~~ services will be performed at cost, which cost shall be fairly and equitably apportioned among such services, and in compliance with the Securities and Exchange Commission's rules promulgated under the Public Utility Holding Company Act of 1935.

~~The operational services to be rendered hereunder will be of substantially the same character and kind as each of Bay State and Northern presently perform for itself; and~~

NOW THEREFORE, Bay State and Northern, in consideration of the mutual agreements hereinafter contained, do hereby severally agree with each other that (1) Bay State and Northern may render to each other and Bay State and Northern will purchase from each other the ~~operational~~ services hereafter described at cost, and (2) the payments made by Bay State and Northern to each other hereunder shall be apportioned between their respective Bay State-Massachusetts (All), Bay State-Lawrence, Maine and New Hampshire retail service areas as appropriate and set forth in Schedule A, ~~Exhibits~~ Attachments 1, 2, and 3.

1. *Agreement to Furnish Services.* The ~~operational~~ services (and related equipment and materials) furnished hereunder shall be upon the terms and conditions set forth in Schedule A, which is attached hereto and constitutes a part hereof, such of the services described in Article II of said Schedule A, at such times, for such periods and in such manner, may from time to time be requested. Bay State and Northern will maintain organizations sufficient to render with efficiency and reasonable promptness such of the services described in Article II of said Schedule A as may reasonably be requested, but neither shall be obligated to perform any services hereunder without reasonable notice.

2. *Termination.* Either party hereto may terminate its participation in this Agreement upon not less than thirty (30) days written notice to the other party; provided, however, that this Agreement shall be terminated automatically (i) to the extent that

performance under this Agreement may conflict with any rule, regulation or order of the Securities and Exchange Commission adopted before or after the making of this Agreement, or (ii) if this Agreement shall become invalid or illegal under any state law or under any rule, regulation or order of any state commission or other state body having jurisdiction in the premises.

3. *Regulatory Approval.* The parties hereto acknowledge that this Agreement shall not become effective until all required regulatory approvals have been obtained. The amounts of compensation, charges for service, price or any other amount ~~to be paid by Bay State for services rendered by Northern~~ shall be subject to review and determination by inter alia, the Massachusetts Department of Telecommunications and Energy in any proceeding brought under section ninety-three or ninety-four of M.G.L. Chapter 164.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

BAY STATE GAS COMPANY

By: _____
Name: ~~Stephen H. Bryant~~ Stephen H. Bryant
Its: ~~Vice President~~ President

NORTHERN UTILITIES, INC.

By: _____
Name: Danny G. Cote
Its: General Manager

~~Operational~~ Services Available to Client
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Operational-BSG-Northern Amended Services
Agreement

ARTICLE I. *Definitions*

The term “~~Operational-BSG-Northern Amended~~ Services Agreement” shall mean an agreement, of which this Schedule A constitutes a part, for the rendition of certain~~operational~~ services and furnishing of related equipment and materials.

1. The term “Client” means the corporation (Bay State or Northern) to which ~~operational~~ services may be rendered under this ~~Operational~~ Services Agreement.
2. The term “Companies” means Bay State and Northern.

ARTICLE II. *Description of ~~Operational~~ Services*

The ~~operational~~ services and facilities which Bay State or Northern is prepared to render and furnish, as requested from time to time by the Client, are set forth in general terms below. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Client.

1. *Operations and Maintenance.* Advise and assist Client in obtaining all needed expert operations and maintenance (“O&M”) services as may be required to plan for the construction, operation, maintenance and repair of the Client’s facilities in order to serve customers and meet the demands of the Client’s gas distribution system. Examples of such O&M services may include, but are not limited to, the following activities: billing, maintenance of customer records, data entry, call center, revenue recovery, gas dispatch, field dispatch, scheduling, storage of equipment and materials, engineering, the supervision of construction of new mains and services of the distribution system, the analysis, design and planning for gas operation and distribution functions, the construction, maintenance and operation of gas distribution system, the maintenance of gas appliances and equipment, energy products and services, demand side management services, inventory management, transportation operation services, operational development, safety and any other operational functions which either Bay State or Northern is capable of supplying the other.
2. *Management, Administrative and Regulatory Support.- Advise and assist Client in rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities, and*

compliance with regulatory requirements and customer relations. Advise and assist Client in connection with corporate matters and with proceedings involving regulatory bodies. Advise and assist in developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. Assist with ensuring compliance with generally accepted accounting principles and provides guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. Advise and assist Client in the formulation of accounting practices and policies and will conduct special studies as may be requested by Client. Advise and assist Client in matters involving the preparation and development of budgets and budgetary controls.

3. *Budget and Financial Services.* Advise and assist the Client in matters involving the preparation and development of ~~operating and capital~~ budgets and budgetary controls. Prepare and implement plans for financing the capital and financial needs of the Client.
4. *Marketing and Advertising.* Advise and assist the Client in the preparation and use of advertising and marketing, managing the development of residential, commercial and industrial business, and carrying out sales activities.
5. *Metering Services.* Advise and assist the Client in connection with all aspects of meter reading, testing, replacement and calibration. Advise and assist with planning, installation and operation of radio networks, remote control and other electronic or automated metering devices and methodologies.
6. *Employee Services.* Advise and assist the Client in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare, employee benefits, and other human resource-related activities.
7. *Office Space.* As may from time to time be available, provide suitable office space for the use of the Client and its officers and employees.
8. *Officers.* The Companies may elect to any office of Bay State and/or Northern any officer or employee of Bay State or Northern. Services rendered to the Client by such person as an officer shall be billed to the Client and paid for as provided in Articles III and IV.
9. *Miscellaneous Services.* Render to Client such other ~~operational~~ services, not hereinabove described, and any management, regulatory support, demand-side management ~~and~~ administrative services related to ~~operational~~ services as may properly be rendered by the Companies to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Companies may be equipped to render and such Client may desire to have performed. The Companies may provide additional services, modify or exclude any of the described services as may be required in the future for the proper operation of Bay State and Northern.

ARTICLE III. *Computation of Compensation*

The amounts that the Client shall pay to the service provider (Bay State or Northern, as applicable) shall be determined as provided in this Article III.

All ~~Operational~~ Services

1. *Specific Direct Salary Charges to Client*

To the extent that time spent by the employees of Bay State or Northern engaged in rendering ~~operational~~ services to the specific Client, a direct salary charge, computed as provided in Article IV, shall be made to such Client.

2. *Apportioned Direct Salary Charges to Client*

To the extent that the time spent by such officers and employees is related to services rendered to Bay State and Northern generally, a direct salary charge, computed as provided in Article IV, shall be made to the appropriate Client generally, and allocated to the appropriate Clients on an equitable basis. See Attachment 1 of Schedule A for a list of the allocation bases to be used to distribute charges for ~~Operational~~ ~~S~~services provided by or to Northern or Bay State, except for charges relating to ~~Operational~~ ~~S~~services rendered by or to Bay State's Lawrence Division. See Attachment 2 of Schedule A for a list of the allocation bases to be used to distribute charges for ~~Operational~~ ~~S~~services rendered by or to Bay State's Lawrence Division. See Attachment 3 of Schedule A for illustrative examples of the allocation bases and methods to be used to distribute charges for ~~Operational~~ ~~S~~services specifically associated with the Inside Sales Group (e.g., Cost Center 05500), Gas Sales Management and Inside Sales Representatives (e.g., Cost Center 03500), Gas Sales and EP&S Management (e.g., Cost Center 05315), and Marketing and Advertising (e.g., Cost Center 03315). The data used for each basis will be updated semi-annually.

3. *Apportionment of Employee Benefits*

The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1) and (2) of Article III shall be apportioned based on a percentage of total benefits to total labor dollars ~~42~~.

Schedule A

4. *Other Expenses*

All expenses, other than salaries and employee benefit expenses, incurred by Bay State or Northern in connection with services rendered to a specific Client, such as travel expenses, shall be charged directly to the Client. All such expenses incurred by Bay State or Northern in connection with services rendered to Bay State and Northern generally, as described below, shall be apportioned in the manner set forth in subparagraph (2) of this Article III for the apportionment of salary charges. Such other general expenses ("Overhead") may include: rents; depreciation; amortization; interest; taxes; non-productive time of employees; compensation of employees performing office service functions; costs of general office supplies; charges for utility, maintenance and similar services; program fees and other fees; and all other such expenses normally treated as Overhead.

ARTICLE IV. *Computation of Direct Salary Charges*

The direct salary charge per hour which shall be made for the time of any employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

ARTICLE V. *Process for Payments*

1. *Statement of Charges*

As soon as practicable after the close of each month Bay State or Northern may issue to the Client an Invoice or make the appropriate inter-company journal entries (collectively a "Bill") with supporting Detail of Charges which will itemize the amounts due from the Client for ~~S~~services, and other expenses for such month, computed pursuant to Articles III and IV. All amounts so billed shall normally be paid by the Client by the end of the month following the provision of such ~~Operational~~ ~~S~~services and reflected as journal entries on the appropriate Client's General Ledger. To the extent required by law, all Bills rendered by Bay State or Northern to the Client shall be accompanied by a statement showing the manner in which such charged was determined and the cost to the Company of the service rendered.

Schedule A

2. *Information to be Furnished*

The Client will forward to the service provider from time to time, as requested, such financial and statistical information as the service provider may need to compute the charges payable by such Client upon such basis as may have been specified pursuant hereto.

ARTICLE VI. *Inspection of Records*

Each party agrees to keep its books and records available for inspection at all reasonable times by representatives of the Client in order that the correctness of the charges made hereunder for services to the Client may be verified by the Client.

* * * * *

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-THIRD SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: June 29, 2005

Responsible: Danny G. Cote, General Manager

AG-23-6 Please identify by name, address, telephone number the contractor that was responsible for installing the unprotected coated steel mains that Company has replaced since 1990 in Brockton and Lawrence, and identify by name, address, telephone number the contractor that was responsible for the replacing these mains. Produce copies of the contract for the installation services.

Response: The only location where a contractor's name might be found (in many cases during this time period mains and services were installed by company employees) would be on the original project work order. That said, these work orders are not sorted by pipe type or by cathodic protection status nor are they in any database. Therefore, trying to find any specific work order for a section of coated unprotected pipe would require an enormous manual effort that would be burdensome to undertake.

Bay State does not have copies of installation contracts from the 1950's and 1960's when this coated unprotected pipe was installed.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-THIRD SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: June 29, 2005

Responsible: Danny G. Cote, General Manager

AG-23-8 Please refer to the June 17, 2005, letter from the Company to the Attorney General regarding overdue discovery responses, Attachment D, page 8. Provide the definitions for all the column headings.

Response: Page 8 of the D.O.T. Additions Report wwrpt052.p is a summary of the footage of the new pipe installed by size and type of pipe. The column definitions are as follows:

Size: Size of pipe installed

Bare Steel: (BS) bare steel pipe

Cast Iron: (CI) cast iron pipe

Copper: (CO)

Protected C: (CP) protected coated steel. New category implemented in April 2005 to segregate protected from unprotected coated steel.

Coated Steel: (CS) Coated Steel. Previously used for both unprotected and protected coated steel. No longer available as of April 2005.

HD Plstc: (HD) PE 3408 high density polyethylene pipe

Plstc Ins: (PI) Plastic insert. Older pipe that has been inserted with plastic

Plastic: (PP) Plastic pipe

Screw End: (SE)

Stnlss Stl: (SS) Stainless steel

Unprotected: (UC) unprotected coated steel. New category implemented in April 2005 to segregate protected from unprotected coated steel.

Totals: total footage by size installed

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIFTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 29, 2005

Responsible: Stephen H. Bryant, President

DTE-5-37 Refer to Exh. BSG/SHB-1, at 18. Please provide a copy of the most recent report issued by the Securities and Exchange Commission resulting from an audit of the operations of NCSC.

Response: Please see the Company's response to DTE-8-4 for the requested information.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 29, 2005

Responsible: Stephen H. Bryant, President

DTE-18-2 Please refer to Exh. BSG/SHB-1. The Company states the "customer relations team is collaborating on innovative methods of improving billing, metering, and collections."

A) Summarize all changes the Company has implemented and/or considered in an attempt to improve billing, metering and collections activities since the start of the test year. In the summary, detail any cost savings that are gained or additional costs accrued as a result of each change. Also detail all safeguards the Company has implemented to protect against any possible degradation in service quality as a result of any changes in the Company's billing, metering and collections activities.

B) Provide any studies that have been performed analyzing the proposed or implemented changes to the Company's billing, metering and collections activities.

Response:

A) The following is a summary of the improvements made by Bay State to its billing, metering and collections activities since the start of the test year:

Bay State created and introduced a prototype of a new and improved bill format that will provide value added information and increased customer satisfaction when it goes live in 2005. The Company's goal is to provide a clear, concise and informative bill that answers customers questions and provides valuable information about energy usage.

See the following attachments for information related to the new bill redesign initiative:

Attachment DTE-18-02 (a) – Bay State Gas Bill Redesign Presentation
Attachment DTE-18-02 (b) – Bay State Gas New Bill Format

In addition, Bay State added “virtual hold” technology, which reduces the customer’s wait time by saving their place in the Springfield Contact Center’s queue, and calling them back when a customer service representative is available. This increases customer satisfaction by releasing the customer to continue with their daily routine and empowering them with flexible options for managing their Bay State customer contact experience.

Further, regarding credit and collections activity, Bay State implemented an outbound calling campaign to contact active customers who are approaching their shut-off date. The new process includes a call being made by a NiSource partner, NCO Financial Systems, using the latest predictive dialer technology to remind customers of their delinquent bill, and giving them the opportunity to pay their bad debt in full, and/or make payment arrangements to avoid shut-off. Outbound calling campaigns drive payments, eliminate field shut-off orders, and are a common practice at other NiSource locations and across the utility industry.

See Attachment DTE-18-02 (c) – BSG Outbound Collections Calls Presentation for additional information.

Another initiative Bay State undertook was to add temporary seasonal manpower in the Collections Department and trained nontraditional collectors (meter and/or service technicians) to perform field collection activities. By adding additional resources in the summer months, more orders are worked and the threat of shut off becomes more real. The Company’s expectation is that this will help change customer behavior and ultimately leads to reduced write-offs and reduced shut-off orders over the long-term.

Another change to Bay State’s field collection activity has been to implement a practice where collectors and service personnel no longer accept payments at a customer’s door. When a collection related shut-off order is generated, sent to the field for shut off, and a Bay State representative arrives at the customer location, the opportunity for payment has passed. The Company believes that the steps it is now taking to encourage customer payments (i.e. sending termination notice messages on bills, sending separate termination notices, conducting outbound calling campaigns, and providing more cost effective payment channels as described below) increases employee safety, and is a best practice for Massachusetts and U.S. utilities.

See Attachment DTE-18-02 (d) – Changes to Shut-off Guidelines for additional information.

Since January 2004, Bay State customers are now offered an expanded variety of payment options that allow flexibility in terms of convenience, cost and immediacy, including: pay by mail; on-line payments; credit card payments; electronic payment by check.

See Attachment DTE-18-02 (e) – Payment Channel Expansion for a complete list of all payment options.

Another Bay State initiative over the past several years has been the implementation of its Automatic Meter Reading (“AMR”) technology throughout its service territory to upgrade its small and large diaphragm meter base inventory. The Company also continues to investigate cost effective solutions for its rotary style meter inventory. Recently, the Company's meter manufacturer has developed a more cost effective AMR solution for rotary style meters, which it will be utilizing in the near future.

Bay State has also recently implemented a theft of service program that includes increased prosecution for theft of natural gas. Enhanced training for field personnel, an increased focus on energy theft investigation, and increased customer communication on theft of service, highlight Bay State's commitment to reducing gas theft.

See Attachment DTE-18-02 (f) – NiSource Theft of Service Program for background information.

Further, Bay State has introduced a “Web Self Service” program, which allows Bay State customers to migrate from an informational to a transactional Web offering. Including viewing, paying bills and providing more detailed specific customer information than in the past. The Company believes this will reduce customer calls and improve customer satisfaction over the long-term.

The Company's decision to undertake these initiatives was based on a qualitative review of current business operations and technology coupled with the desire to implement continuous improvements to customer service.

Bay State does not expect any long-term negative customer satisfaction issues to arise from the above-described initiatives. The Company has noticed a short-term increase in credit and collection related customer complaints as a result of the implementation of these more stringent credit and collection policies, but it expects these complaints to diminish over time as customers become more familiar with them. Therefore, the Company has not implemented any particular safeguards to protect against any possible long-term degradation in service quality associated with these initiatives.

- B) No studies that have been performed analyzing the proposed or implemented changes to the Company's billing, metering and collections activities.

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

Bay State Gas Gas Bill Redesign

Project Objectives

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

To create an improved bill format that:

- **Complies with Regulatory requirements**
- **Clarifies existing information**
- **Clarifies existing messages**
- **Provides value-added information**
- **Increases customer satisfaction**
- **Considers operational parameters**

A clear, concise and informative bill that answers customers questions and provides them with valuable information about their energy usage

The format was developed through a process that included:

- **Analysis of required elements – Regulatory & Operational**
- **Stakeholder input**
- **Best practices**
- **Identifying value-added information opportunities**

Stakeholder Input

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

- **Customers**
 - Focus groups (6 states, 96 customers)
 - Anecdotal through CCC feedback
- **Regulatory**
 - Analysis of required elements
 - Feedback through meetings
- **Customer Contact Centers**
 - Survey of over 500 NiSource CCC employees
- **Technology/Operations**
 - Printing
 - Inserting
 - Bill Formatting

- Creating new “real estate”
 - Duplex printing
 - Flexible, targeted, specific
- Document design experts
 - Application of visual ergonomics
 - Using science to drive decisions related to the new bill design

A Balancing Act

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

Bay State Gas
A NISource Company

Gas Bill
Residential Gas Service

Account Number: 000-000-000-0
Statement Date: 3/1/2004

Billing & Payment Summary

Customer Name: John Doe	Billing & Payment Notes: Gas bills are sent to the address on file. If you have moved, please call us at 1-800-455-4545 to update your address.
Previous Balance on 2/1/2004: \$236.00	
Payment Received on 2/1/2004: \$236.00	
Balance on 2/1/2004: \$0.00	
Amount Due by 4/1/2004: \$125.11	

Service Summary

Service Location: 123 Main St, Haverhill, MA 01830-1234	Service Summary Notes: Gas service is provided to the address on file. If you have moved, please call us at 1-800-455-4545 to update your address.
Meter Number: 12345678	
Water Readings (in Billing Cycle):	
Actual Reading on 3/1: 1000	
Gas Used (GAL): 100	
Total Gas Used (Therms): 100	

Billing Options

Payment Options

Consumer Protections

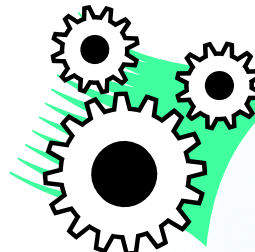
Payment Coupon

Amount Due by 4/1/2004: \$125.11

Payment Enclosed: \$

Make check payable to: BAY STATE GAS

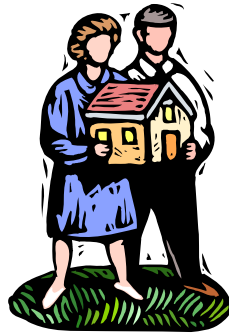
Bay State Gas
123 Main St
Haverhill, MA 01830-1234



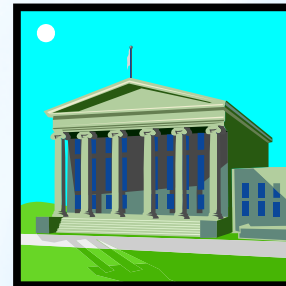
Operational Constraints



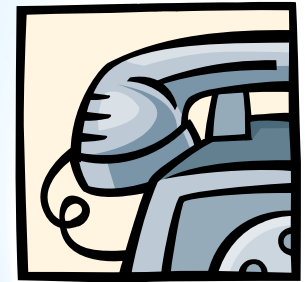
Cost to Produce



Customer Satisfaction



Regulatory Requirements



Contact Center Impact

New Bill Format

Massachusetts Rules and Regulations

220 CMR 25.00

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

- **Current Period Energy consumption**
- **Information on rate changes**
- **Brief explanation of customer's rights**
- **Resident over 65 clause**
- **The right to dispute the bill**
- **Identify with "Estimate" on all estimated bills near the amount**
- **Budget language provided by commission**
- **Commission contact information**

Attachment DTE-18-02 (a)

Glossary

BIMONTHLY BILLING: Certain residential nonheating customers are billed bimonthly.

COC: 600 cubic feet of gas.

COST OF SERVICE: Purchase, storage, and interstate transmission of gas.

CUSTOMER CHARGE: Recovers the basic cost of providing service to customers, regardless of gas usage. It includes metering, billing, and account maintenance. Includes also contribution to the energy audit program.

DISTRIBUTION ADJUSTMENT: Recovers costs not included in the customer charge, such as depreciation, contribution to environmental and conservation programs.

DISTRIBUTION CHARGES: Cost of operating and maintaining distribution facilities.

ESTIMATED HEATING: If you are connected to our automated meter reading system, we will attempt to read your meter.

QUESTIONS ABOUT YOUR BILL?
Call 1-800-886-5454 or visit our website at 1-800-886-5454 or visit our website at www.baystages.com.

NEED PAYMENT ARRANGEMENTS?
Call 1-800-886-5454. Cash-in hours are 7 a.m. - 5:30 p.m., Monday-Friday and Friday and 9 a.m. - 2 p.m., Saturday.

Automated payment arrangements, balances and payment information are available 24 HOURS DAILY Call 1-800-886-5454.

NEED HEATING / WATER HEATING REPAIRS?
CALL 24 HOURS A DAY! 1-800-887-6552.

NOTICE OF DISPUTE: COG
If you think your bill is incorrect, phone the billing number and let us know what you'd like. We'll check your account and set you know the results, in writing if you wish.

If you're not so satisfied with our answer, you have the right to appeal to the CTE.

Consumer Division
Bay State Gas Company
Department of Communications and Energy
One South Station
Boston, MA 02111
Phone 617-353-3031 or 1-800-363-6966
www.mass.gov

Under the CTE rules on your appeal, your service cannot be shut off for nonpayment of the disputed part of your bill. However, you must continue to pay any portion of that bill and the rest of your bill.

EQUALIZER PAYMENT PLAN
Heating customers can avoid high mid-winter gas bills by settling our website, paying the largest amount shown on your bill, or phoning the billing number on the front of the bill and signing up for "true" program. We will then estimate your future gas bills for the next 12 months and divide this total into monthly bills.

RIGHTS TO GAS SERVICE FOR RESIDENTIAL CUSTOMERS UNDER FINANCIAL HARSHIP
If you are close to losing your gas service due to your gas service if you certify that you have a financial hardship to do so.

1) Phone the number under "Need Payment Arrangements" for a Free Financial Hardship Application.
2) Complete and mail the Financial Hardships Form to our office.
3) We will review your form and tell you whether or not you qualify for assistance.

Estimated readings are based on the amount of gas used during a similar past year. Seasonal weather conditions apply.

If you prefer that we base your bills on actual metered gas usage, call 1-800-886-5454 on the METER READ CALLIN DATE listed on the front of this bill or visit our website at www.baystages.com.

PHIORIZED BILL: If you are a heating customer whose gas billing period ends on a Tuesday or Wednesday, 2 days, we prorate your bill. This means that your gas bill will reflect the actual number of days in the billing period. If you are a heating customer whose gas billing period ends on a Thursday, your prorated bill will reflect the actual number of days in your billing period. If your billing period is more than 30 days or less than 12 days.

THERM: A measure of the heat energy in natural gas. One therm equals about one CCF, but will vary from month to month.

CONSUMER PROTECTIONS
The CTE has adopted several further information on the following protections:

SERIOUS ILLNESS & FINANCIAL HARSHIP
If you or a family member is seriously ill, please notify our office and inform us about the illness.
If you are unable to pay your bill because of a serious illness or financial hardship, please contact the Bay State Gas Company's Health Care Unit at 955 Belmont St., (Brookline) MA 02149, to certify that someone in your household is seriously ill.

CHILD UNDER 12 MONTHS & FINANCIAL HARSHIP
If you or your child is under 12 months old, please notify our office and tell us that you have a child under 12 months of age living in your home and that you have a financial hardship.
Please make a document to us at 955 Belmont St., Brookline, MA 02149, certifying your child's age as well as both parents' income or a letter from your child's doctor or the doctor of your child.

WINTER PROTECTION & FINANCIAL HARSHIP
If you heat your home with gas, you will automatically receive winter protection from Nov. 15 - Mar. 15.
If you are eligible for winter protection, you will receive a discounted rate on your gas bills.
If you are not eligible for winter protection, you will receive a standard rate on your gas bills.

RESIDENTIAL LOW-INCOME GAS RATES
Discounted rates are available to most customers receiving public housing assistance.
If you are eligible for low-income gas rates, please call 1-800-886-5454 or visit our website at www.baystages.com.
If you are not being billed on the low income rate, please call 1-800-886-5454 or visit our website at www.baystages.com to find out more information.

NOTICE TO OLDER RESIDENTIAL CUSTOMERS
If someone in your home is 65 years of age or older and you are unable to pay a past-due bill, phone the number above under "Need Payment Arrangements" to arrange a personal payment plan.

If you need help with your service without the approval of the CTE, you also have the right to hearing at the CTE. You may request a hearing by calling 1-800-886-5454 or visiting our website at www.baystages.com. To request this adjudication, please provide your name and address, your utility protection, phone our office and tell us that you are requesting a hearing.

If You Smell Gas Call 1-800-525-8222

Extra information we may postpone. So no essential services are affected. Please call 1-800-525-8222 for details on all emergency events.

VISIT US ON OUR WEBSITE
www.baystages.com

Focus Groups Summary

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

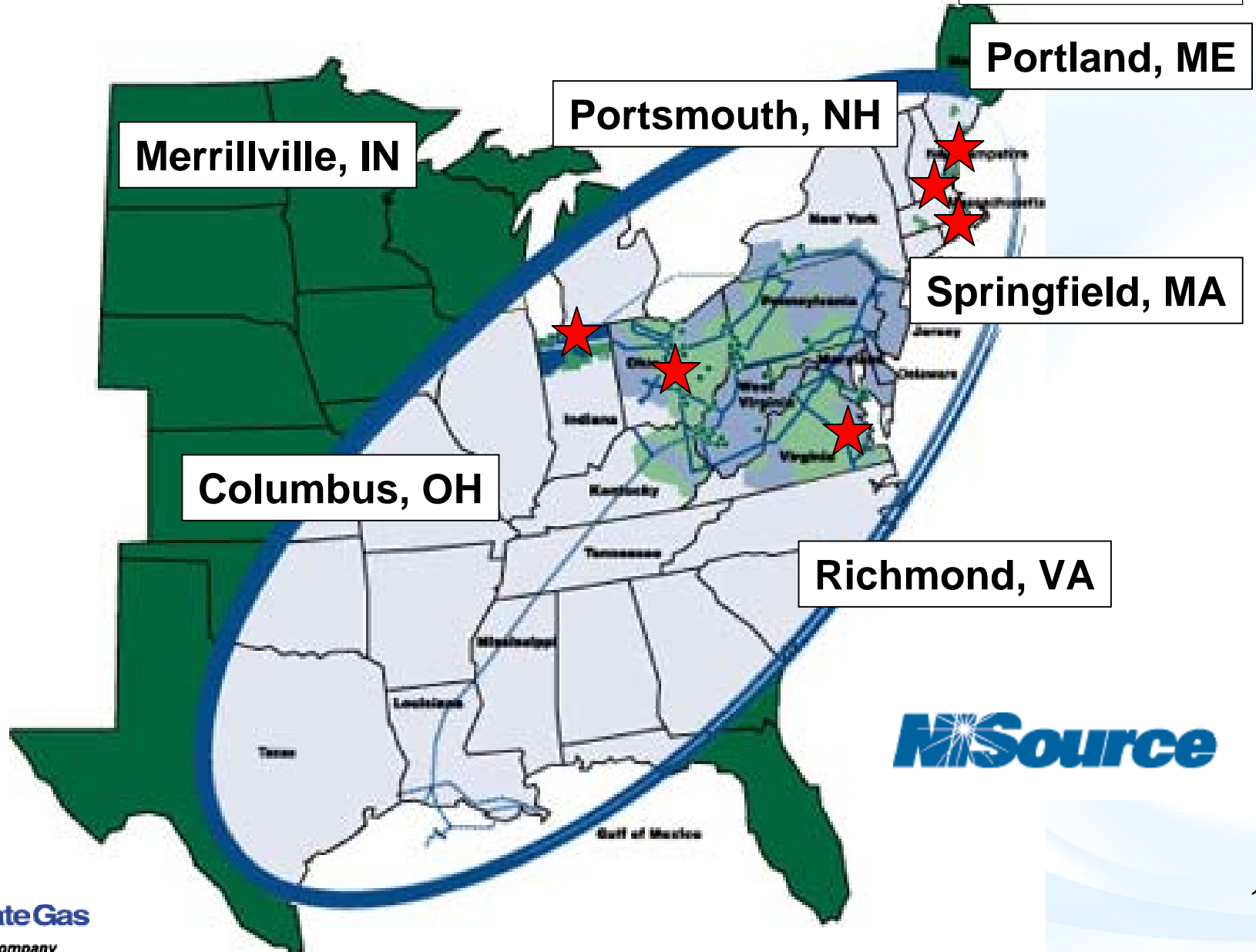
- **Twelve 90-minute group interviews were conducted by an independent customer research firm**
- **The interviews explored the clarity, functionality and appeal of the standardized bill format for NiSource**
- **All consumers interviewed were NiSource customers who open and pay their household utility bills**

Focus Group Locations

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)



Key Improvements

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (a)

- **Larger, easy-to-file, single-sheet format**
- **Presentation of content in three columns**
- **Blue tinting**
- **Boldface type that highlights information**
- **Location and presentation of the amount due and the due date on the bill itself and on the payment coupon**
- **The unambiguous Gas Bill at the top of each page**
- **Easy to find account number**
- **Value added information such as:**
 - **Use History graph with 13 months of history**
 - **Daily Comparisons of temperatures and use**
 - **instructions for reading a meter**



Your Right to Dispute Your Bill If you think your bill is incorrect, call us at 1-800-882-5454 before the due date. We will review your account and notify you of the results, in writing if you wish. If you are not satisfied with our response, you have the right to appeal to the DTE in writing at: Consumer Division, Massachusetts Department of Telecommunications and Energy, One South Station, Boston, MA 02110, by phone at 1-617-305-3500 or 1-800-392-6066, or online at www.mass.gov/dte. Until the DTE rules on your appeal, your service cannot be shut off for non-payment of the disputed part of your bill. However, you must continue to pay any portion of that bill and other bills that are not part of the dispute.

Gas Use History

Month	Estimated (Ccf)	Customer (Ccf)	Actual (Ccf)
Mar 2003	156		156
Apr	31		31
May	12		12
Jun	6		6
Jul	5		5
Aug	6		6
Sep	5		5
Oct	6		6
Nov	65		65
Dec	115		115
Jan	165		165
Feb	180		180
Mar 2004	105		105

**Save time and money
by making this your last
mailed payment. Call for
details about ZipCheck
at 1-800-688-6160.**

**See back of bill for Detail
of Charges for Gas Service.**

*Your next actual meter
reading date is between
04/16/2004 - 04/20/2004*

Month	Avg Daily Temp	Avg Daily Use (Therms)
Mar '04	36.0°	3.5
Feb '04	30.0°	6.0
Mar '03	35.0°	5.2

▼ Payment Coupon

Payment Enclosed

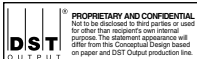
\$

Make check payable to:

BAYSTATE GAS
PO BOX 830014
BALTIMORE MD 21283-0014

Account Number
999-999-999-9

☐ **Is your contact information on the back incorrect?**
Check this box and detail the correction on the reverse side.



Consumer Protections (continued)

Rights to Gas Service for Residential Customers During Financial Hardship
In the following situations, we will not shut off your gas service if you certify that you have a financial hardship. Follow these steps to certify your financial hardship:

1. Call us at 1-800-688-6160 and ask for a Financial Hardship Form or for more information on hardship protections.
2. Complete and mail the Financial Hardship Form to our office. We will review your form and will notify you whether you qualify for financial hardship status.

Serious Illness & Financial Hardship –

1. Ask your doctor or Board of Health to call our office right away and inform us of the illness.
2. Within seven days of the call, ask your doctor or Board of Health to write us at 995 Belmont St., Brockton, MA 02301 to certify that someone in your home is seriously ill.

Child Under 12 Months & Financial Hardship –

1. Call us at 1-800-688-6160 to notify us that you have a child under 12 months old living in your home and that you have a financial hardship.
2. Mail a document to us at 995 Belmont St., Brockton, MA 02301 that verifies the child's age, such as a birth certificate or a letter from the child's doctor or the Board of Health.

Winter Protection & Financial Hardship –
If you heat your home with natural gas, you will automatically be protected from shut-off Nov. 15 – Mar. 15 if you :

1. Certify with us that you have a financial hardship, or
2. Are eligible for and will be receiving fuel assistance

Residential Low-income Gas Rates
Discounted rates are available to most customers who receive public assistance benefits. If you believe you qualify but are not being billed at the low-income rate, please call us at 1-800-882-5454 for more information.

Notice to Older Residential Customers If everyone in your household is 65 or older and you are unable to pay a past-due bill, call us at 1-800-688-6160 to arrange a personal payment plan. We will not shut off your service without approval of the DTE. You also have the right to a hearing at the DTE before your gas can be shut off. To receive this protection, call to notify us that everyone in your household is 65 or older.

Bankruptcy Notices Mail to Bay State Gas, Revenue Recovery, 2025 Roosevelt Ave., P.O. Box 2025, Springfield, MA 01102.

Other Correspondence (except payments) Mail to Bay State Gas, 995 Belmont St., Brockton, MA 02301.

Gas Meter Information


Actual Reading A meter reader has read the meter. You're required to provide us access to read the meter or automated device at least once a year. Please contact us to make arrangements if access is required.

Estimated Reading If you are not connected to our automated meter reading system, we will attempt to read your meter. During the months we don't read the meter, we accurately estimate your reading based on the history of usage at the service address and actual temperatures for the billing period. We verify the reading the next time we read the meter to make sure you pay only for the energy you've used.


Gas Usage We measure the volume of gas you use by Ccf equal to 100 cubic feet and convert it into therms, a unit of heat.

How to Read the Meter When a pointer is between two numbers on a dial-type meter, read the smaller number except when the pointer is between 9 and 0. Record the reading on the dials from left to right.


Example:




3



9



7



2

Contact Information Corrections

If this address and home phone number are incorrect, please make the necessary corrections on the lines below.

123 Main St
Hanson, MA 12345-6789
111-234-5678

Address

City

StateZIP

Home Phone: ()

Detail of Charges for Gas Service

Charges for Residential Heat Service – Winter Season			
Delivery Charges			
Customer Charge			\$7.59
Gas Usage			
First	90 Therms x \$0.4000	\$36.00	
Next	15 Therms x \$0.2076	\$3.11	
Distribution Charges			
All	105 Therms x \$0.0116	\$1.22	
Gas Supply Charges at Cost			
Cost of Gas			
All	105 Therms x \$0.8685	\$91.19	
Total Charges for Service This Period			\$139.11

Service Charges Notes

Delivery Charges are the costs of delivering the gas to retail customers. The charges for these services are regulated and must be purchased from the local distribution company.

The **Customer Charge** recovers the basic cost of providing service to customers regardless of gas use, i.e. meter reading, billing, and account maintenance. Included is the customer's contribution to the energy audit program.

Gas Supply Charges are passed through to customers without markup.

Gas supply may be purchased from the competitive market and is not regulated when purchased from a competitive gas supplier.

Safety Tips

- Odor of Gas** We add a distinctive odor to your natural gas to alert you to a leak in or around your home. If you smell an odor of gas:
1. Leave the building immediately. Leave the door open on your way out, and don't use light switches or matches.
 2. Call our 24-hour phone number from a nearby phone, and wait for our service crew to arrive.

Call Before You Dig If you are planning a home construction or landscaping project, call Dig Safe at 1-888-344-7233 at least 72 hours before you start to dig. A representative will mark the approximate location of underground gas lines on your property.

Employee Identification All of our employees and approved meter readers and contractors carry identification. If someone claims to represent the gas company, ask to see photo identification. Call the police if you see suspicious activity.

Additional Account Information

Maintenance of Customer-owned Buried Gas Lines
Natural gas is delivered to your home or business through an underground pipeline, and you may own a portion of that pipeline. You are responsible for repairing and replacing all gas piping that you own, including any that extends beyond the meter to the appliances in your home or business.

If buried piping isn't maintained, it might be subject to the hazards of corrosion and leakage over time. For your safety, we inspect pipelines for leakage on a regular basis. We also inspect it for corrosion if the line is metal. At a minimum, our inspection covers all gas piping that lies between the company supply line and the meter, and may include buried piping that extends beyond the meter. However, we do not repair or replace customer-owned piping.

If our inspection detects a problem in any portion of the piping that you own, the gas piping will need to be repaired promptly. A plumber or excavation contractor can assist you in repairing the line. Excavation around gas pipelines should be done by hand. Before digging, contact your local utility protection service to learn where gas lines are located on your property. For safety's sake, call before you dig.

BSG

OUTBOUND COLLECTIONS CALLS

June 2005



The outbound calling initiative with CIS access involves the following...

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (c)

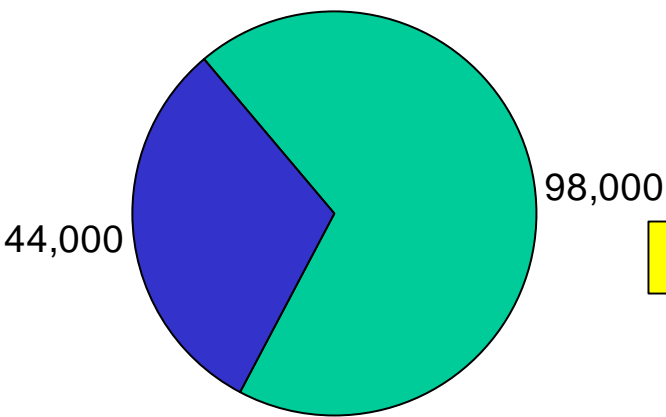
Page 2

- Predictive dialer and interactive voice messaging (IVM) technology contacts customer.
- If unsuccessful, multiple attempts are made at different times of the day, and on different days. The dialer technology tracks who is missed.
- Right party verification when “live” customer is reached, a message is left when answering machine picks up call.
- Contractor provides industry leading answering machine detection technology. 98% of the time, a proper message is left.
Message asks customer to contact Springfield call center.
- With live customer, there is an interactive conversation that drives toward immediate payment or a payment arrangement. Scripts are customized to adhere to specific state rules.
- IVM technology monitors agent utilization. When slow, campaign is accelerated, when busy, campaign is decelerated.

Statistics show that outbound calling initiatives result in more work for call centers not less. Campaigns completed in other states resulted in a 2% net increase in calls to the center. When statistics from other campaigns are applied to BSG/NU, the results would look like this...

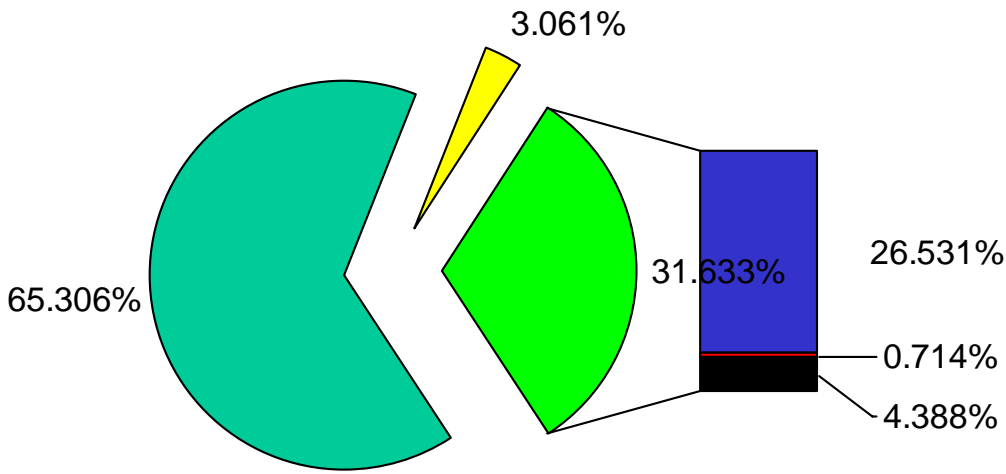
Bay State Call Center
D.T.E. 05-27
Attachment DTE-18-01 (C)
Page 3

Total Calls – 142,000



■ Contacts ■ Non-Contacts

Breakdown of 98,000 Contacts



■ No Action ■ Call CCC ■ Pay Normal
■ Pay in 5 Days ■ Arrangements ■ Live Payments

Some of the benefits of giving a contractor CIS access to make outbound calls include...

Bay State Gas Company

D.T.E. 05-27

Attachment DTE-18-02 (c)

Page 4

- CCC workload neutral – Studies show a slight increase in call center contacts
- Reduction of write-off and accounts receivable – Reverse the trend from 2001-2004
- NiSource One Voice – This step represents best practice, internally, and across our industry
- Technology – IVM, dialer, answering machine detection, and advanced monitoring
- Reduced field collections – Orders don't go to the field
- Better skill level and core competency match – BSG/NU focus on high-value collections and customer service
- Simpler and more convenient for the customer – Some customers can “fix” their situations in real-time without making a callback
- Collection effectiveness - “Strike while the iron is hot” concept

Talking Points for Changes to Shut-off Guidelines (For Massachusetts Customers Only)

Overview

Beginning in June 2005, Bay State Gas will change the collection process it employs in an effort to change customer behavior and align our activities with other utility industry leaders.

The new process will no longer allow for employees to receive payment in the field when acting on a shut-off notice. Employees will provide customers with information on options they have and execute the shut-off notice.

Key Dates:

May 1, 2005 to May 31, 2005

Field collectors will inform customers upon visiting their home or business that they will no longer be accepting payments in the field when executing a shut-off notice.

May Billing Cycle – Shut-off Notices

Shut-off notices will begin informing customers in consideration for disconnection of service that they will no longer be able to avoid shut-off by making payment to field collectors who visit their home or business.

June 1, 2005

Bay State Gas will no longer allow for employees to receive payment from customers in the field.

June Billing Cycle

Bill insert notifying customers of new collection process distributed.

Why are we making these changes?

There are several reasons for the changes taking place in the field:

Changes customer behavior.

- Because some customers have paid at the door at the time of shut-off for years, they are accustomed to our practice -- and sometimes withhold payment until the collector arrives.
- Moving to shut-off only mode removes field-based payment arrangement responsibility from the collector and allows us to better manage the arrangements.

Better workforce utilization.

Allowing employees to focus only on executing shut off notice will reduce the amount of time on each order. This will allow for more resources to be dedicated to shut-offs and the associated turn-on for non-pay orders.

Aligns Bay State with "best practice" companies.

BSG is one of the last Massachusetts companies to move to shut-off only mode.

Increased employee safety.

By eliminating cash and check handling in the field by collectors will increase their personal security.

Cost effective way for customers to make payments.

- Customers making payments via U.S. mail or at a payment agency near their home is a cost effective way for the company to collect payments for natural gas service.
- When a collector goes to the door on the day of shut-off and accepts payment, the cost for the trip and associated payment handling can exceed fifty dollars.

If you have any questions regarding this matter, please contact your supervisor.

Response regarding Payment Channel Expansion and electronic bill presentment.

Bay State Gas customers currently are offered an expanded variety of payment channel options that allow them flexibility in terms of convenience, cost and immediacy.

Pay by mail – the most popular choice and for the cost of a stamp it allows the customer to pay when they want.

Recurring Auto Debit – a service that is free to customers and provides them the assurance that their account will be paid on the due date each month without writing and mailing a check.

On-line payments – the payment channel with increasing utilization; a variety of banks and service providers offer this channel to customers. Fees from these providers range from being free to several dollars a month (that generally allows customers to pay all of their bills on-line without having to write checks and mail). During 2004, Bay State Gas customers were offered the new channel of receiving their bill electronically rather than paper and additionally have the option to pay it on-line through a service provided by Check Free for no cost.

Authorized Pay Station Network – Bay State Gas customers can pay their bills at authorized local merchant locations for no cost and with the assurance that Bay State will receive their payment information overnight. This is an alternative channel to mailing a payment especially if there is a near term disconnection date.

Credit Card Payments – this channel is administered by a third party vendor and is available to all customers via the convenience of their phone or the Internet. The fees associated are the credit card network fees and are not revenue for Bay State Gas.

Electronic Payment by Check – This channel is also administered by a third party vendor and is available to all customers via the convenience of their phone or the Internet. This is a one-time, non-recurring channel that a customer can use when they want. The fee was lowered from \$1.95 to \$1.75 during 2004.

	Cost to Customer	Utilization 2004	Utilization 2005 (thru May)
Lockbox	37 cent stamp	76.52%	74.00%

Auto Debit	no charge	3.94%	3.91%
On-line payments	Charges possible - based on customer vendor choice	9.64%	11.60%
Authorized Paystation Network (FDC)	no charge	8.36%	8.08%
3rd Party Credit Cards IVR/Web - (residential)	\$5.95	0.40%	0.66%
3rd Party Credit Cards IVR/Web - (non res)	\$25.00	0.01%	0.01%
3rd Party Pay by Check IVR/Web	\$1.75	1.13%	1.74%
TOTAL		100.00%	100.00%

Electronic Bill Presentment - during 2004 Bay State Gas customers were offered the choice to enroll in and receive their monthly bills electronically rather than the paper version that would be mailed to them.

Below is the monthly total of customers that receive their bills electronically.

	<u>2004</u>	<u>2005</u>
- January		1,191

February	1,255
March	1,383
April	1,473
May	1,672
June	
July	
August	
September	10
October	402
November	617
December	992

NISOURCE THEFT OF SERVICE PROGRAM Background Information



BSG/NU Operations
April 26, 2005

IMPLEMENTATION RECOMMENDATIONS

1. Provide guidance to corporation on when to prosecute.
2. Basic field training program on four field process steps and associated guidelines.
3. Hire contract investigators at Columbia and BSG to assist with billing, prosecution, and collection.
4. Provide consistent education on energy and non-energy theft charges (cost model).
5. IT changes that will assist data collection, process changes, and measurement of theft.
6. Other ideas
(800# for theft reporting, bill insert, Buffalo Gauge)

IMPLEMENTATION RECOMMENDATIONS

Prosecution

Theft investigators or field operations leaders identify a case that has larger potential than the average case.

Considerations are:

- Blatant safety violations
- More than 1 trip with same customer stealing.
- Commercial customer classification
- High dollar residential customer (\$2,000+)
- A non-NiSource meter is used

Prosecution and/or the threat of prosecution is thought to be a key to changing customer behavior and obtaining field buy-in. Because of cost and legal system limitations we cannot prosecute everybody. That being said, here are some considerations that guide our organization on prosecution.

Theft investigators or field operations leaders coordinate with county prosecutors to file case. Include:

- Pictures
- Police report
- Witness statements
- Physical evidence

Prosecutors make determination on next steps. How strong is case?

When prosecuted, it often results in restitution, and resolution in or out of court.

IMPLEMENTATION RECOMMENDATIONS

Investigators

Investigator duties include...

- Follow-up on reports of energy theft
- Coordinate with local law enforcement
- Provide assistance to field personnel
- Inspect theft field sites
- Drive documentation that helps billing, collection, and prevention of theft
- Make contact with customers in questioned cases
- Prepare reports on theft cases
- Maintain files and database on theft cases
- Present repeated offender cases to police and local prosecution
- Identify owners of property for proper billing
- Provide billing department with appropriate charges for investigation





IMPLEMENTATION RECOMMENDATIONS

Investigators

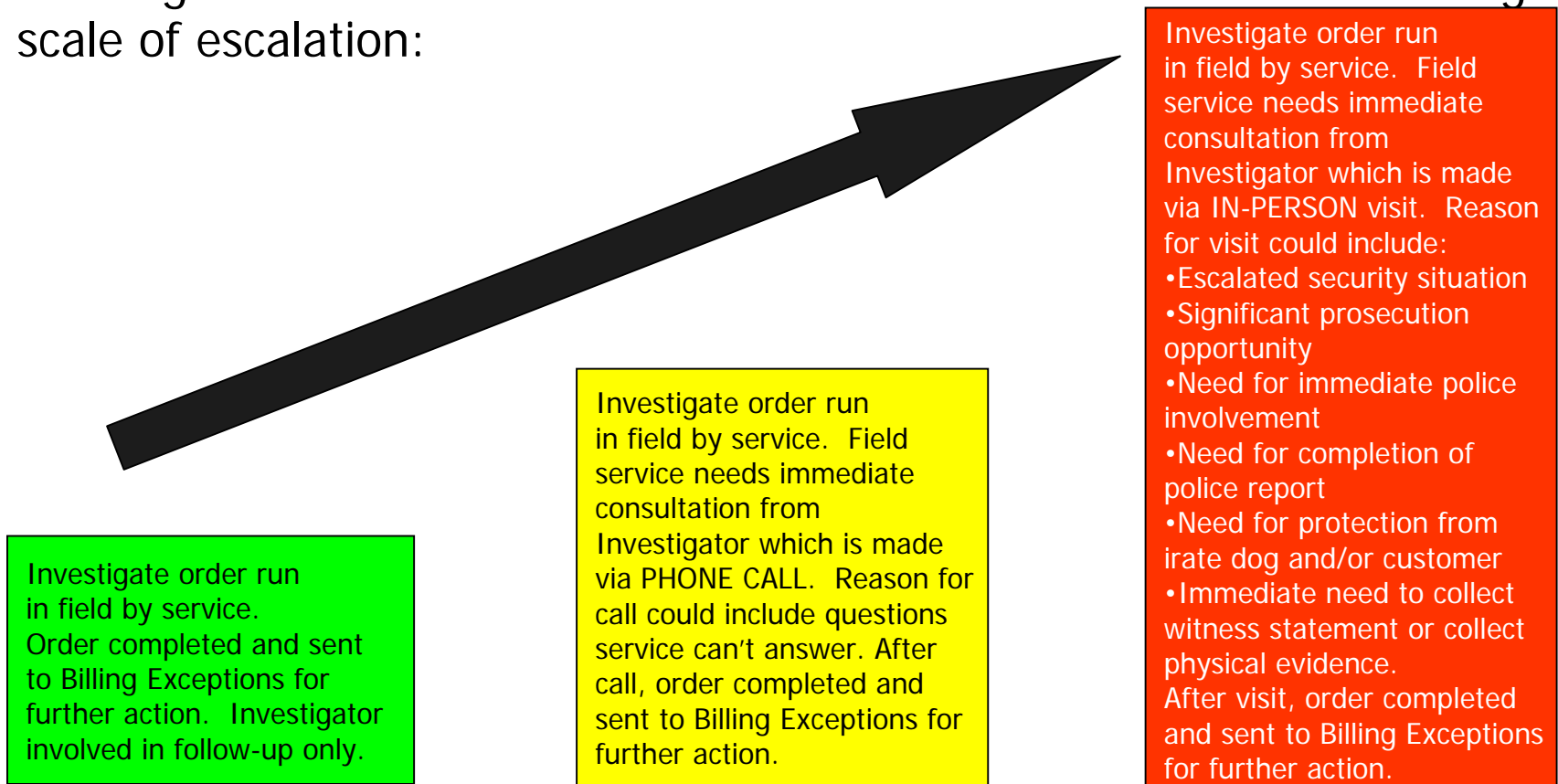
Investigators will receive work from the following sources...

1. **Documentation follow-up** - For accounts that have known theft, has all the proper documentation been captured in the field? If not, the investigators can contact the Service Tech or Field Operations Leader (FOL) and provide a friendly reminder.
2. **UU follow-up** - One of the things investigators can spend their time on is turning Unauthorized Use to Theft of Service by finding a responsible party. This may be handled over the phone, or with in-person visits.
3. **Non-payment of theft follow-up** - Serving in a collection role, our investigators can do phone and in-person follow-up on accounts that have not been paid.
4. **Prosecution** - Once the decision is made to run cases through the local court system, the investigators can do this legwork. This is a time consuming process.
5. **800# leads** - These calls may lead to orders being created, or the investigators themselves going out to "check things out". If they find something, an immediate order may be sent to Logistics to get a Service Tech out to shut-off service.
6. **Calls from the field** - If a Service Tech or FOL runs into something they need immediate support from the investigator on, they can call them and have them show up on site. The investigator will ensure proper documentation and photographs are taken of the scene.

IMPLEMENTATION RECOMMENDATIONS

Investigators

Investigators will have direct field involvement based on an increasing scale of escalation:





IMPLEMENTATION RECOMMENDATIONS

Investigators

Peter Alley (BSG/NU Energy Investigator) can be reached at...

- Office Phone: 508-580-0100 x1352
- Cell Phone: 413-244-7784
- Email: palley@nisource.com

Proper documentation is a key to correct billing and possible prosecution. The following guidelines are the basic requirements we need to document.

Document Theft

- Pictures – Use digital or disposal cameras
- Capture meter #, kind, and size
- Record meter reading (separate field on MDT)
- Detail names of individuals involved
- Communicate with user at location, including contact information
- Gather physical evidence (meter, broken locks, bypass equipment)
- Document tampering method (type and location of theft, gas on or off at arrival?)
- Detail theft prevention activities completed (meter removal, theft device installed, time spent at site, etc.)
- If available, get witness statement
- If able, detail appliances in use
- Indicate special premise instructions (irate customer, vicious dog, and unsafe situations)
- Label evidence to match with location
- Use MDT comments section for all information that does not have separate field on MDT

This is an example of a Service Order Completion Form that has been completed correctly.

Document Theft

MDSI MOBILE PEN APPLICATION

10/25/04 10:24am On Line 0 Onsite - 327 Laurel St 1 ORD 0 MSG OC=0/0

Primary Service Order Completion Form

Appliance/Completion Code: INVESTIG. THEFT OF GAS
Bill Code: No Charge
Svc Report: found lock broken and on floor took picture of bypass. Customer has heat, WH and Range
Job Status: Red Tag: ☐ Y ☒ N No Heat: ☐ Y ☒ N
Time Spent: 0 min. Dwelling: Single No Hot Water: ☐ Y ☒ N

Appliance: HH/CB
Make: Weil McClean Model:
Series: Serial #

Meter Status:
Reading Number: H37333 AMR Number: 18433112
Corrected: 0008599 Uncorrected:

Part#	Description	PD#	Qty
270-01527 100	1/4" NPT BRASS TEST PLUG		1

Part#	Description	PD#	Qty
270-01527 100	1/4" NPT BRASS TEST PLUG		1
	Broken Lock		1

Amt Collected: \$ Method of payment:
Tech Comments: charge for broken lock
Leak: % Haz: Attn Flag: ☒ Y ☐ N
CO: ppm Pipe Condition:

Emg F12 Ssp.F8 Cp.F11 Xmit F10

Here is the associated Complex Receipt Form for that order.

Bay State Gas Company

DTE-05-27

Attachment DTE-18-02 (f)

Page 10

Document
Theft

MDSI MOBILE PEN APPLICATION

10/25/04 10:30am On Line 0 Onsite - 327 Laurel St 1 ORD 0 MSG OC=0/0

Complex Receipt Form
Bay State Gas

Tumiski,Ronald Date: 20041025
327 Laurel St Bld: Apt: Flr:
BDGWTR MA 02324
Account # 5502007
Work Order # 000005706166
Job Desc: INVESTIG. THEFT OF GAS
found lock broken and on floor took picture of bypass. Customer has heat, WH and Range
Job Status:
Charge Type: No Charge

Part Description	Qty	Price	Charge
1/4" NPT BRASS TEST PLUG	1 @	\$ 11.88	<input type="checkbox"/> \$ 0.00

Part Description	Qty	Price	Charge
1/4" NPT BRASS TEST PLUG	1 @	\$ 11.88	<input type="checkbox"/> \$ 0.00
Broken Lock	1 @	\$ 0.00	<input type="checkbox"/> \$ 0.00
	@	\$ 0.00	<input type="checkbox"/> \$ 0.00
	@	\$	<input type="checkbox"/> \$
	@	\$	<input type="checkbox"/> \$

Parts Sub-total \$ 0.00
Tax \$ 0.00
Tax Exempt? ☐ Y ☒ N
Job Time: Tech 1: 30 mins Tech 2: 0 mins Labor \$ 0.00
Misc Charge: chargeable time ? 30 mins \$ 90.00
Misc Charge: mins \$ 0.00
Misc Charge Sub-Total \$ 90.00
Total \$ 90.00

Print

Eng F12 Ssp.F8 Cp.F11

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM UWUA LOCAL 273
D. T. E. 05-27

Date: June 29, 2005

Responsible: Stephen H. Bryant, President

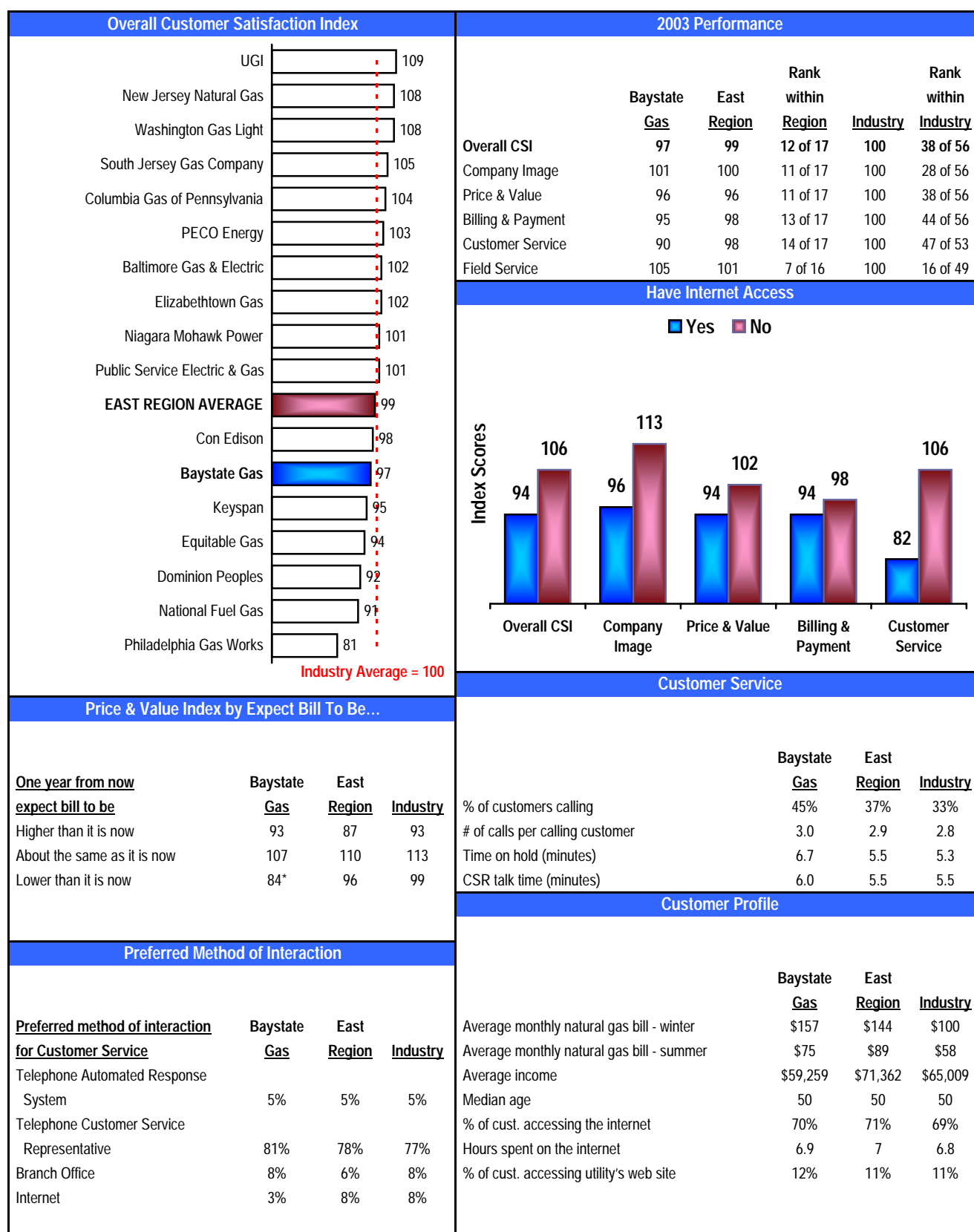
UWUA-1-33 (a) Please provide any and all surveys, ratings or benchmarking studies performed or provided by J. D. Powers or any other firm or entity regarding customer satisfaction, service quality or similar parameters, and involving Bay State, NiSource, or Northern Utilities, for the period since Bay State merged with NiSource.

(b) Please provide any studies, ratings, analyses or documents prepared by the American Gas Association or any other trade association, or by outside party, that compare or evaluate the following parameters for NiSource or Bay State: (i) level or adequacy of capital expenditures, or changes in the trends of such expenditures; (ii) level or adequacy of O & M expenditures, or changes in the trend of such expenditures; (iii) staffing levels; (iv) relative or absolute level of indebtedness; (v) relative or absolute growth in numbers of customers and/or volume of gas sold; (vi) profitability; (vii) any other financial or operational characteristics.

Response:

























- (a) Please see Attachment UWUA-1-33 (a) for a copy of the J.D. Powers Gas Utility Residential Customer Satisfaction Study for Bay State Gas Company from October 2003. This study compares Bay State Gas with the East Region and the Industry. See also the Company's response to USWA-2-19.
- (b) The Company is not aware of any recent AGA, other trade association or other outside party studies, ratings, analyses or documents that compare or evaluate the above listed parameters for Bay State or NiSource. The AGA does collect some of the information requested on a company-by-company basis through which comparisons may be made, but neither Bay State nor NiSource participate in this voluntary program.

Baystate Gas



*Caution: Small Sample Size.

Baystate Gas

Attribute Performance and Gap Analysis ¹			
<u>2002</u>	<u>2003</u>		← Trailing Industry Better than Industry →
N/A	6.74	Q54 Concern for the environment	
N/A	6.44	Q59 Offering a variety of services and options	
N/A	7.09	Q58 Educating you on being safe around natural gas	
N/A	8.73	Q28 Attention to safety	
N/A	8.32	Q26 Quality of work performed	
N/A	7.44	Q10 Length of time to pay w/o penalty	
N/A	8.22	Q27 Appearance of workers	
N/A	6.89	Q56 Being honest and ethical	
N/A	5.49	Q16 Availability of pricing options	
N/A	7.38	Q41 Rep.-Knowledge	
N/A	6.08	Q55 Commitment to the local community	
N/A	7.76	Q40 Rep.-Courteous and friendly	
N/A	6.64	Q57 Effectively communicates changes	
N/A	5.14	Q19 Ability to help reduce mo. bill	
N/A	6.07	Q39 Promptness in speaking to CSR	
N/A	6.84	Q43 Rep.-Time needed to answer question	
N/A	7.65	Q60 Natural gas utility's ability to maintain a safe gas system	
N/A	7.43	Q8 Accuracy of bill	
N/A	8.19	Q7 Ease of finding exact amount to pay	
N/A	6.82	Q42 Rep.-Solve prob./answer question	
N/A	5.22	Q18 Fairness of pricing	
N/A	5.49	Q17 Total monthly cost of your natural gas service	
N/A	6.55	Q9 Ease of understanding your bill	
N/A	6.62	Q11 Usefulness of options to pay your bill	

¹Defined as (Mean Rating of Utility less the Industry Mean Rating) multiplied by percent contribution to Overall Satisfaction.